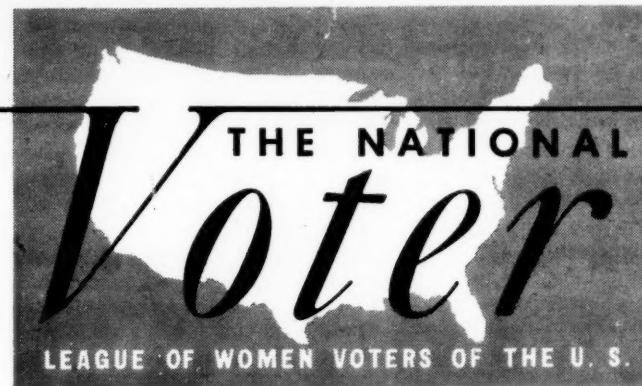


July, 1958



1026 17th STREET, N. W., WASHINGTON 6, D.C.

The Waters Are Still Muddy

Recently, a League member wrote the national office asking for a quick and easy answer to the question "Under our new water resources item would equitable financing as related to water pollution be furthered by either the Blatnik bill or the Reed bill?"

Our quick-and-easy answer department is not functioning too well at the moment, but perhaps you can draw your own conclusions if you consider the background of the federal water pollution control program and two current proposals relating to the program.

Growing Problem

The problem has been with us for a long time and steadily grows more acute and affects more people. You probably need look no further than your own local river, stream, pond, or lake to understand the need to do something about water pollution. Here in the nation's capital the Potomac has been described as "the best dressed cesspool in the country."

Beginning in 1900, bills were introduced in every Congress, except during war years, to establish a federal program for water pollution control. Finally, in 1948 the first Federal Water Pollution Control Act was enacted. The only trouble with the Taft-Barkley Act, as it was called, was that it did not have teeth in it—it was unenforceable. So, in July 1956 the Act was amended with enforcement provisions and with an incentive program to help municipalities to meet their pollution problems. This Act became Public Law 660.

Under P. L. 660, the federal role is not only to support technical research and provide technical services, but also to provide financial aid to states, interstate agencies, and municipalities. P. L. 660 also reaffirms the policy of Congress as stated in the 1948 Act, to recognize, preserve and protect the primary responsibilities and rights of the states in preventing and controlling water pollution.

Under the current Act, a construction grant may be made for a municipal waste treatment works in the amount of 30 percent of the cost of the project, or \$250,000, whichever is less. An annual expenditure of \$50 million is authorized for such grants, up to an aggregate of \$500 million over a 10-year period.

The program is a co-operative federal-state enterprise, not federal-municipal. Grants are made to those projects which have been certified by the state water pollution control agencies as having priority over other eligible projects. Priority is based on financial as well as control needs.

In the two years since the program began, 1,038 projects costing about \$387 million have been financed (in round numbers) by \$302 million, state and local funds and \$85 million federal funds, or 78 percent state and local and 22 percent federal.

The incentive of federal aid as authorized in P. L. 660 has evidently stimulated the upsurge of interest on the part of states and local communities in building sewage disposal plants. In 1952 four states had a record construction year; in 1953,

five states; in 1954, three states; in 1955, four states. In 1956, following enactment of P. L. 660, 13 states had a record year; in 1957, 19 states. In 1957, contract awards for sewage treatment works totaled more than \$350 million; this amount exceeded the previous 5-year annual average by nearly \$100 million.

Expand Program?

On March 27, 1958, Representative Blatnik (D., Minn.) introduced H. R. 11714. Mr. Blatnik was also the author of the 1956 Act. H. R. 11714 is a bill to amend the Federal Water Pollution Control Act to increase construction grants from \$250,000 to \$500,000. It would also increase the authorized annual grants for state-approved municipal sewage treatment plants from \$50 million to \$100 million, up to an aggregate of \$1 billion over a 10-year period. Furthermore, it would amend the Act to permit cities to apply for grant assistance for joint projects and would permit the reallocation of unused funds among states having a backlog of approved projects.

Shift to States?

Another approach to the problem is that outlined in H. R. 12524, introduced May 15, 1958, by Representative Reed (R., N. Y.). This bill would put into effect the recommendations of the Joint Federal-State Action Committee. The recommendations also have the approval of President Eisenhower and were incorporated in his 1958 Budget Message.

The Joint Federal-State Action Committee came into being July

1957 after President Eisenhower suggested to the Governors Conference that a joint committee be appointed to designate functions to be reassumed by the states. It is composed of seven representatives of the executive branch of the federal government, including the Secretaries of the Treasury, Labor, and Health-Education-Welfare, and the Director of the Bureau of the Budget, and 10 Governors appointed by the chairman of the Conference.

The Committee recommended in December 1957 that two programs now financed in part by the federal government be transferred completely to the states. Construction of waste-treatment facilities is one of these (vocational education is the other). To pay for these programs the Committee recommended that the states be allowed to collect 40 percent of the 10 percent federal tax on local telephone service.

At the 1958 Governors Conference, which convened three days after Representative Reed had introduced his bill, the Governors raised several questions about the Joint Committee's recommendations, delayed positive action until more information could be obtained, and said they want no hasty action that would result in reduction of the federal assistance program below its present fiscal and performance levels.

Keeping Up With League Program

(as of July 11)

MUTUAL SECURITY: Both Houses of Congress took final action on the Mutual Security authorization (H. R. 12181) June 27. On July 2 the House passed the Mutual Security appropriation (H. R. 13192), 253 yeas—126 nays, granting \$3,078,092,500 as recommended by the Appropriations Committee. Technical cooperation and assistance were the only programs whose funds were not cut. The Development Loan Fund, for which \$625 million had been authorized, was granted \$300 million. Mrs. Phillips, national President of the League, testified June 19 before the House Appropriations Subcommittee on Foreign Operations, urging appropriation of the authorized amounts. The bill now goes to the Senate which may restore some of the reduction if public support is shown.

TRADE: The Senate Finance Committee reported a 3-year extension of the Trade Agreements Act (H. R. 12591) July 10, with amendments

In a telegram to President Eisenhower on the recommendations of the Committee, the president of the American Municipal Association said: "All the evidence points to the continuing need for federal financial assistance in the field of water pollution control and on an expanded basis. We urge you to press for continuance of this program, at least until the prospect of its solution by all states is entirely assured and until federal withdrawal from the field will in no way jeopardize the formulation of an effective national water conservation program."

It is the intent, say Administration leaders, to continue sewage treatment construction grants to those states which are unwilling to accept the responsibility which the Joint Federal-State Action Committee recommendations would place upon them. However, H. R. 12524 does not provide for this feature; it repeals the construction grant program, and, if it is enacted in its present form, federal assistance as authorized in P. L. 660 would be discontinued at the end of the current fiscal year, June 30, 1959. Pollution control would then be entirely the responsibility of the states.

Ready? Willing? Able?

Are the states able to assume this

League Program

which among other things would 1) force the President to accept Tariff Commission decisions in escape clause cases unless both houses upheld his veto by majority vote and 2) broaden the "national security" clause. Mrs. Laves, member of the League's national Board, testified before the Senate Committee June 23, giving the League position. The bill now goes to the Senate for debate.

LOYALTY-SECURITY: The House on July 10 passed by a 295 to 46 roll call vote S. 1411 as amended—a bill to re-extend the federal loyalty-security program to include nonsensitive as well as sensitive positions. The bill was referred to the Senate Post Office and Civil Service Committee.

League opposition to this legislation is based on our position that coverage of the programs should be limited to sensitive positions.

Separate letters to your Senators on the three above issues are now in order.

responsibility? Would they pass the laws necessary before they could assume it? The shift of responsibility from federal government to state governments would be voluntary on the part of the states, and this could mean the abandonment of some pollution control programs.

In some states the funds to be derived from taxes on telephone service would be inadequate to finance the program. At hearings held in May on the Joint Federal-State Action Committee's proposal, Representative Fountain (D., N. C.), chairman of the House Intergovernmental Relations Subcommittee, said that "20 of the 48 states would obtain insufficient revenues to maintain the programs recommended for transfer."

Looking Ahead

Let us look at both proposals before the House in the light of the total pollution problem as well as political realities which determine the feasibility of proposed solutions.

The cost of achieving complete pollution abatement is enormous and, understandably, neither proposal even attempts to provide funds to do the whole job. It has been estimated that nation-wide pollution control would cost \$5.7 billion and that yearly running expenses would amount to one third of \$1 billion. The Budget request this year for all natural resource development is \$1.5 billion.

But, for the sake of argument, let us assume that complete municipal waste control could be achieved. Would there not still be the problem of complete control of industrial waste? Whose responsibility would that control be? Many industries are now striving to meet the standards which are in the law, but the problem will continue to grow with the growth of industry.

So, any answer to how League standards of equitable financing apply to water pollution control is not a quick and easy one. It will be necessary to decide: How important as an incentive to pollution control is a grant program? How adequate financially is the 30 percent grant program now in effect? How would these programs be carried out if turned over to the states?

If you were a member of Congress from your state, how would you vote on H. R. 11714 and H. R. 12524?

India at an Economic Crossroad

On January 26, 1950, India declared itself a "sovereign democratic republic" and took its place as the largest of the world's family of democratic nations. India holds in common with the United States the same basic values of political freedom and individual liberty. In the preamble to its Constitution, one finds familiar phrases, ". . . to secure to all its citizens liberty of thought, expression, belief, faith and worship . . . to promote . . . fraternity assuring the dignity of the individual and the unity of the nation."

India is a stable democracy with a government twice popularly elected in the largest elections in world history. India's new democracy is a proving ground in the eyes of the world's less-developed countries to test whether democratic institutions can secure economic and social progress for their citizens. If the gap between the people's hope for progress and the government's performance becomes too great, there is bound to be national frustration and frantic search for short cuts. The short cuts will not be the ways of democracy.

At the opposite extreme is China. A professed Communist state, backed by Communist Russia, China is determined to prove to the developing nations that communism, not democracy, is the way to achieve the better life. China, like India, has five-year plans under which it has made striking industrial progress.

Must Anyone Lose?

Much is said of the contest between India and China for the political soul of Asia. It may be a contest in which there is no loser. Each may succeed in its own way, much as both America and Russia may claim success. However, the United States must do everything possible to make sure that the loser—if there should be one—is not democracy. If both win, it is in the best interest of the United States to see that democracy does as well as, if not better than, communism.

The acceptance or rejection of democracy by two thirds of the world's people may be decided by the performance of democracy in India, not in America.

India's "Neutralism"

While there is a striking identity of values between the United States and India, there are differences and disagreements as there are between all independent nations. There has been widespread discussion of India's "neutralism." The question is asked why, if India truly believes in democracy, does she refuse to join with other democratic nations in opposing communism? India, like America in its early years of independence, wants to be in a position to concentrate on internal growth, free from the obligations of "entangling alliances." India views the threat of communism as internal political subversion, not as external military aggression. The Indian government has been notably severe in its treatment of domestic Communists. Yet the Communist Party has been making headway in India, as evidenced by its election victory in the state of Kerala last year. India's five-year plans of economic development are its sword and shield against communism.

Second only to China, India is the most populous country in the world. It is about half the size of the United States and contains twice as many people. To the 385 million people of India, the issue of economic progress became paramount shortly after the achievement of independence. The government began its first five-year economic development plan in 1951. By 1956, agricultural production was up 23 percent; industrial production, 33 percent; national income, 18 percent. Perhaps the most striking fact about this achievement was that 90 percent of the \$7 billion spent was obtained within the country itself. During this first plan, the United States aided India with \$300 million in addition to the special wheat loan of \$190 million and World Bank loans totaling about \$30 million.

1956-1961

India has just begun the third year of her second five-year plan. The new plan, though larger and more ambitious than the first, is modest in scope for the needs of India. It calls for investment by the Indian government of about \$10 billion and by private sources of

about \$5 billion. An increase in food production is still a major goal, but emphasis is on the development of basic heavy industries such as coal, iron and steel, electric power, machine tools, and chemicals. Even if the plan's goals are reached by 1961, India will have increased the average per capita income from \$59 to only \$69 (it is over \$500 in the U.S.S.R. and more than \$2,000 in the United States).

This second five-year plan has come up against a foreign exchange crisis. The Indian government estimated a need for \$2.2 billion with which to buy capital goods abroad. Since 1956, crop failures, the closing of Suez, greater cost of foreign goods, an increasingly unfavorable trade balance, and additional purchases of military equipment (a reaction to U. S. military aid to Pakistan) have increased foreign exchange needs to \$3.4 billion. India has reduced this amount to \$1.4 billion by drawing from its sterling reserves, by securing loans from the World Bank, the U.S.S.R., the United States and other sources, by reducing the importation of virtually all consumer goods, and by eliminating certain projects from her development plan.

In March of this year, the American government agreed to lend India \$225 million to help finance the second five-year plan. It is estimated that additional loans of \$500 million will be needed from the United States in the next three years if India's economic program is to be successful.

Why U. S. Aid?

What are the compelling reasons to support a program of U. S. aid to India?

It has long been a guiding principle of U. S. foreign policy that the well-being of the United States is inevitably linked with the well-being of other nations. The United States is specifically interested in helping India because it recognizes 1) the positive political and economic benefits the democratic world will reap through contributing to the development of India, 2) the challenge posed by the rapid economic advancement of China, and 3) the influence of India upon other coun-

(Continued on page 4)



FROM THE

PRESIDENT'S DESK

There is a League story—your story—closely connected with the 1958 fight for the extension of the Trade Agreements Act. We want to share it with you, for, while you wrote it, it has come to us in bits and pieces—through letters, bulletins, reports and clippings. Only here in the national office has anyone had a chance to see it as a nation-wide League effort.

This story demonstrates most convincingly that basic understanding of an issue, eagerness to take it to the community, and an early start, can and do bring results.

The League recognized last January that a way must be found to make trade a lively issue, to point up its importance to the United States and to the world. The President, government departments, and citizen groups were promoting extension of the Act in many ways. The League set out to "do a job" in its own way, by creating grass-roots support and understanding. It has been a combination of all these efforts that has brought the extension legislation so far along the rocky road through Congress.

Certainly the League cannot and would not claim that it made trade a lively issue all by itself. But we did start early—and for a while it seemed we were talking mostly to ourselves. Then the interest started to grow. I wonder if you had the same feeling I did when I noted the increased number of articles in the paper or when a radio commentator devoted his news analysis to the fate of trade legislation. I was as proud as a parent when the teacher picks out junior for special attention.

Leagues have discussed trade in

"*You can't take it with you*" . . .

. . . but you can make sure it will do League work.

Here are three simple ways:

1. Make a direct bequest to the League in your will.
2. Provide for a direct transfer.
3. Set up a trust.

Consult your bank and your attorney as to how best to carry out your wishes.

units and general meetings, with themselves, with their husbands, their neighbors, businessmen, Chamber of Commerce officials, service groups and other groups. They interviewed state and local officials and leaders of the political parties. They updated their 1955-56 trade surveys, which had shown the importance of trade to their communities. They wrote letters to their Congressmen and to their editors. They trimmed hats to show what exports and imports mean to their towns and states and wore them whenever a chance for publicity could be found. Films were used in meetings and on television. Almost everywhere Leagues talked trade on the radio, sometimes using a "name" speaker, sometimes answering questions, sometimes holding panel discussions. One state League sent a statement about trade in its state to the Senate Finance Committee to supplement the testimony given by the national League.

Extra dividends from all this activity have been better public relations between the Leagues and their communities, new respect for League methods and techniques. New friends with common interests have been discovered.

As *THE NATIONAL VOTER* goes to press the trade legislation is still in jeopardy on the Hill. The Senate has yet to act, and there are indications that as great a demonstration of public interest is needed now as when the legislation was before the House.

Up to now the national office counts 17 steps that have been taken to alert the Leagues on appropriate times for action, and more alerts may be coming your way before Congress takes the final vote. This kind of sustained, continuing action is the only kind that is truly effective. It is possible when there is full membership understanding, both of the issue and of the processes by which we try to affect the outcome.

The League's action on trade will surely extend beyond renewal of the Trade Agreements Act, indispensable as it is. As we proceed with our evaluation of U. S. foreign policy,

we shall be considering trade in the broader context of over-all objectives, and examining proposals for a more adequate, comprehensive foreign economic policy.

Ruth S. Phillips

INDIA (Continued from page 3)

tries of Asia, Africa and the Middle East.

A new element has recently entered the picture of aid to India in the form of Russia's economic challenge to the West. If imitation is the sincerest flattery, the United States has reason to be proud of the effectiveness of its foreign aid programs, for Russian loans to India now total \$250 million. But this aid impales the U.S.S.R. squarely on the horns of a dilemma. The Russians would like to appear as the friends of Indian economic development. However, ultimate Communist success in India hinges largely on the failure of economic development plans sponsored by the present democratic regime. If the United States provides enough aid, in time, India's economic development can probably proceed as planned. If the United States does too little, too late, the Communists could pursue the tactic of providing enough help to be symbolically persuasive of their good intentions but not enough help to assure success of the five-year plan.

How much will America decide to spend on aid to India? How much is America willing to spend to further the goals of economic progress, political freedom, and individual liberty for ourselves and for the world's people?

THE NATIONAL VOTER

Vol. VIII July, 1958 No. 4

Published monthly by the League of Women Voters of the United States.

1026 17th Street, N. W.
Washington 6, D. C.

MRS. ROBERT J. PHILLIPS, President
DOROTHY FELKER GIRTZON, Editor

Entered as second class matter, April 9, 1951, at the Post Office, Washington, D. C., under the act of March 3, 1879.

Subscriptions: \$1.00 a year in United States and U. S. territories and possessions, Canada, Mexico; all other countries, \$1.50 a year.

Single copy: 10 cents.
(Quantity prices on request.)